

## ARTICLE XIII

### THIRD PARTY SALES AND TRANSFERS AND ALTERNATIVE USES

13.1. Recognizing the significant investment that DOD is making in the overall JSF Program, that the development of the Project Foreground Information is so highly dependent upon the use of information from the overall JSF Program, and the desire of MOD to gain insight into the overall JSF Program for the purposes of the Project, the DOD shall retain the right to sell, transfer title to, disclose, or transfer possession of Project Foreground Information, jointly acquired or produced Project Equipment, or any item produced either wholly or in part from Project Foreground Information to Third Parties.

13.2. MOD shall not sell, transfer title to, disclose, or transfer possession of Project Foreground Information, jointly acquired or produced Project Equipment, or any item produced either wholly or in part from Project Foreground Information to any Third Party without the prior written consent of the DOD. Furthermore, MOD shall not permit any such sale, disclosure, or transfer by others, including the owner of the item, without the prior written consent of the DOD. MOD recognizes that such sales, disclosures, or other transfers shall not be authorized by the U.S. Government unless the government of the intended recipient consents in writing with the U.S. that it shall:

13.2.1. not retransfer, or permit the further retransfer of, any equipment or information provided; and

13.2.2. use, or permit the use of, the equipment or information provided only for the purposes specified by the Parties.

13.3. A Party shall not sell, transfer title to, disclose, or transfer possession of Project Background Information or Project Equipment provided by the other Party to any Third Party without the prior written consent of the Party which provided such equipment or information. The providing Party shall be solely responsible for authorizing such transfers and, as applicable, specifying the method and provisions for implementing such transfers.

13.4. Any Project Background Information provided by one Party shall be used by the other Party only for the purposes set forth in this Agreement, unless otherwise consented to in writing by the providing Party. Furthermore, the prior written consent of the DOD shall be required with respect to use of Project Foreground Information by the MOD for purposes other than those provided for in this Agreement.

## ARTICLE XIV

### LIABILITY AND CLAIMS

14.1. Claims against either Party or its personnel shall be dealt with in accordance with the terms of Article VIII of the NATO Status of Forces Agreement (NATO SOFA) dated 19 June 1951. Civilian employees of the Parties assigned to duty within their government's Defense Department or Ministry shall be deemed for the purpose of Article VIII of NATO SOFA to be members of a civilian component within the meaning of Article I of NATO SOFA while present in the territory of another Party for the purpose of this Agreement.

14.2. Claims arising under or related to any Contract awarded pursuant to Article VI (Contracting Provisions) shall be resolved in accordance with the provisions of the Contract.

14.3. Employees and agents of Contractors shall not be considered civilian personnel employed by a Party for the purpose of paragraph 14.1.

## ARTICLE XV

### PARTICIPATION OF ADDITIONAL NATIONS

15.1. It is recognized that other national defense organizations may wish to join the Project.

15.2. Mutual consent of the Parties shall be required to conduct discussions with potential additional Parties. The Parties shall discuss the arrangements under which another Party might join, including the furnishing of releasable Project Information for evaluation prior to joining. If the disclosure of Project Information is necessary to conduct discussions, such disclosure shall be in accordance with Article IX (Disclosure and Use of Project Information), Article X (Controlled Unclassified Information) and Article XIII (Third Party Sales and Transfers and Alternative Uses).

15.3. The Parties shall jointly formulate the provisions under which additional Parties might join. The addition of new Parties to the Project shall require amendment of this Agreement by the Parties to incorporate necessary additional provisions.

## ARTICLE XVI

### CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

16.1. Customs duties import and export taxes, and similar charges shall be administered in accordance with each Party's respective laws and regulations. Insofar as existing national laws and regulations permit, the Parties shall endeavor to ensure that such readily identifiable duties, taxes and similar charges, as well as quantitative or other restrictions on imports and exports, are not imposed in connection with work carried out under this Project.

16.2. Each Party shall use its best efforts to ensure that customs duties, import and export taxes, and similar charges are administered in a manner favorable to the efficient and economical conduct of the work. If any such duties, taxes, or similar charges are levied, the Party in whose country they are levied shall bear such costs.

## ARTICLE XVII

### SETTLEMENT OF DISPUTES

17.1. Disputes between the Parties arising under or relating to this Agreement shall be resolved only by consultation between the Parties and shall not be referred to a national court, to an international tribunal, or to any other person or entity for settlement.

## ARTICLE XVIII

### LANGUAGE

18.1. The working language for the Project shall be the English language.

18.2. All data and Information generated under this Agreement and its implementing Contracts and provided by one Party to the other Party shall be furnished in the English language.

## ARTICLE XIX

### AMENDMENT, TERMINATION, ENTRY INTO FORCE, AND DURATION

19.1. All activities of the Parties under this Agreement shall be carried out in accordance with their national laws and the obligations of the Parties shall be subject to the availability of appropriated funds for such purposes.

19.2. In the event of a conflict between an Article of this Agreement and any Annex to this Agreement, the Article shall control.

19.3. Except as otherwise provided, this Agreement may be amended by the mutual written consent of the Parties. Annex A (Project Management Structure) and Annex B (JSF/ID Italian Deputy Terms of Reference) of this Agreement may be amended by the written approval of the EC.

19.4. This Agreement may be terminated at any time upon the mutual written consent of the Parties. In the event, both Parties consent to terminate this Agreement; the Parties shall consult prior to the date of termination to ensure termination on the most economical and equitable terms.

19.5. Either Party may terminate this Agreement upon 90 days written notification to the other Party. Such notice shall be the subject of immediate consultation by the EC to decide upon the appropriate course of action. In the event of such termination, the following rules apply:

19.5.1. The terminating Party shall continue participation, financial or otherwise, up to the effective date of termination.

19.5.2. For Contracts awarded on behalf of both Participants, the terminating Participant shall pay all Contract modification or termination costs that would not otherwise have been incurred but for the decision to terminate.

19.5.3. All Project Information and rights therein received under the provisions of this Agreement prior to the termination shall be retained by the Parties, subject to the provisions of this Agreement.

19.6. The respective rights and responsibilities of the Parties regarding Article VIII (Project Equipment), Article IX (Disclosure and Use of Project Information), Article X (Controlled Unclassified Information), Article XII (Security), Article XIII (Third Party Sales and Transfers and Alternative Uses), Article XIV (Liability and Claims), and Article XVII (Settlement of Disputes) shall continue notwithstanding termination or expiration of this Agreement.

19.7. This Agreement, which consists of the Preamble, nineteen Articles and one Annex, shall enter into force upon signature by both Parties and shall remain in effect until 1 April 2001. It may be extended by the written agreement of the Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their governments, have signed this Agreement.

DONE, in duplicate, in the English language.

FOR THE DEPARTMENT OF DEFENSE  
OF THE UNITED STATES OF  
AMERICA:



Signature

JACQUES S. GANSLER

Name

UNDER SECRETARY (ACQ & TECH)

Title

DEC 23 1998

Date

THE PENTAGON, WASHINGTON DC

Location

FOR THE MINISTRY OF DEFENSE OF  
THE REPUBLIC OF ITALY:



Signature

ALBERTO ZIGNANI

Name

SEGRETARIO GENERALE DIFESA  
DIRETTORE NAZIONALE ARMAMENTI

Title

18 dicembre 1998

Date

ROMA

Location

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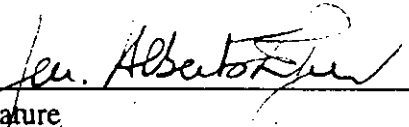
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FOR THE MINISTRY OF DEFENSE OF  
THE REPUBLIC OF ITALY:

  
Signature

Alberto ZIGNANI  
Name

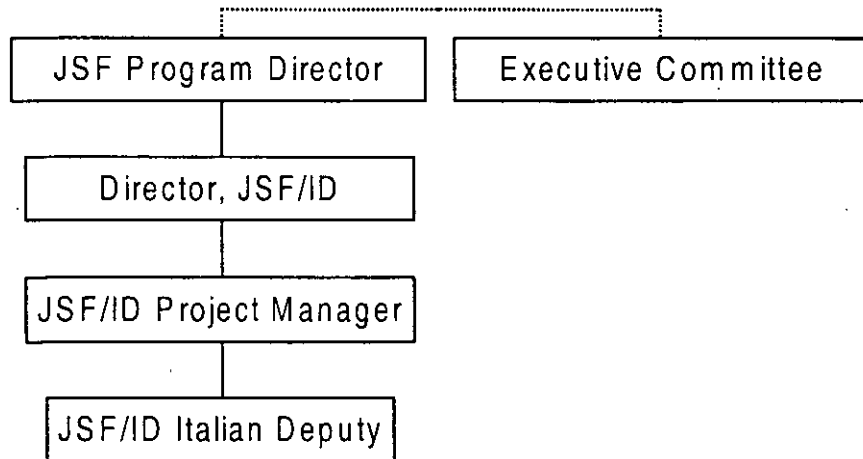
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Location

## ANNEX A

### PROJECT MANAGEMENT STRUCTURE



## ANNEX B

### JSF/ID ITALIAN DEPUTY TERMS OF REFERENCE

B.1. The JSF/ID Italian Deputy shall be a military member or civilian employee of the MOD, who shall be able to perform all the responsibilities for the position as described in Article IV (Management (Organization and Responsibility)). The EC shall agree upon the length of tour for the position at the time of initial assignment.

B.2. The JSF/ID Italian Deputy shall not act in the dual capacity as the MOD representative in the JSF Program Office and as a liaison officer for the Government of Italy, except that the JSF/ID Italian Deputy may act on behalf of MOD's EC representative if the latter so authorizes.

B.3. The JSF/ID Italian Deputy shall not serve as a conduit between DOD and MOD for requests and transmission of *Classified Information and Controlled Unclassified Information* unless specifically authorized by the Project Security Instruction.

B.4. The JSF/ID Italian Deputy shall not be assigned functions that would require the exercise of responsibilities that are reserved by law or regulation to an officer or employee of the U.S. Government.

B.5. The JSF/ID Italian Deputy shall report through the JSF/ID PM to the Director, JSF/ID. The Parties recognize that the MOD has cognizance for disciplinary actions concerning the JSF/ID Italian Deputy. The Director, JSF/ID shall promptly notify the EC of any incident that might warrant disciplinary action by the MOD.